

# **THE NSP SUBSTANTIAL AMENDMENT**

Jurisdiction: State of Indiana Indiana Housing and Community Development Authority	NSP Contact Person: Stephanie Reeve Address: 30 S. Meridian Street, Ste. 1000 Indianapolis, IN 46204
Web Address for NSP Amendment: <a href="http://www.in.gov/ihcda/3118.htm">http://www.in.gov/ihcda/3118.htm</a>	Telephone: 317-233-4474 Fax: 317-232-7778 Email: sreeve@ihcda.in.gov
Jurisdiction Web Address: <a href="http://www.in.gov/ihcda">www.in.gov/ihcda</a>	

This document is a substantial amendment to the State of Indiana's Consolidated Plan. This amendment outlines the expected distribution and use of \$83,757,048 through the newly created Neighborhood Stabilization Program (NSP), which is administered by the U.S. Department of Housing and Urban Development. The NSP funds were authorized by the Housing and Economic Recovery Act of 2008 (HERA) to provide for those areas disproportionately affected by foreclosures, blight and abandonment.

The Indiana Housing and Community Development Authority (IHCDA) will invest the NSP funds on behalf of the State of Indiana.

## ***A. AREAS OF GREATEST NEED***

In determining the areas of greatest need, the Indiana Housing and Community Development Authority (IHCDA) has identified two primary markets: 1) Revitalization Markets; and 2) Stabilization Markets. Both require unique approaches to mitigating or reversing the negative impacts of foreclosures and abandoned housing.

Revitalization Markets have experienced significant disinvestment. They are characterized by deteriorating housing stock, declining property values, escalating crime, and underperforming schools. Traditional market forces are not working in these areas, nor are they likely to be re-established soon. Therefore, the goal in these markets should be to marshal resources and to deploy comprehensive strategies in a concentrated footprint that will serve as a catalyst for additional investment. The demolition of blighted structures, the rehabilitation of housing units, and the creation of new uses such as recreational amenities, retail and employment centers can serve as a tipping point for future development by market forces.

The State of Indiana has determined areas of greatest need with the assistance of the Indiana University Center for Urban Policy and the Environment, using a combination of HUD-provided data and proprietary data available to IHCDA.

Every census block group in the state was evaluated for its qualification as a low-, moderate-, or middle-income area. That is, a census block group was considered an eligible area if more than 51 percent of the people in the area had incomes less than or

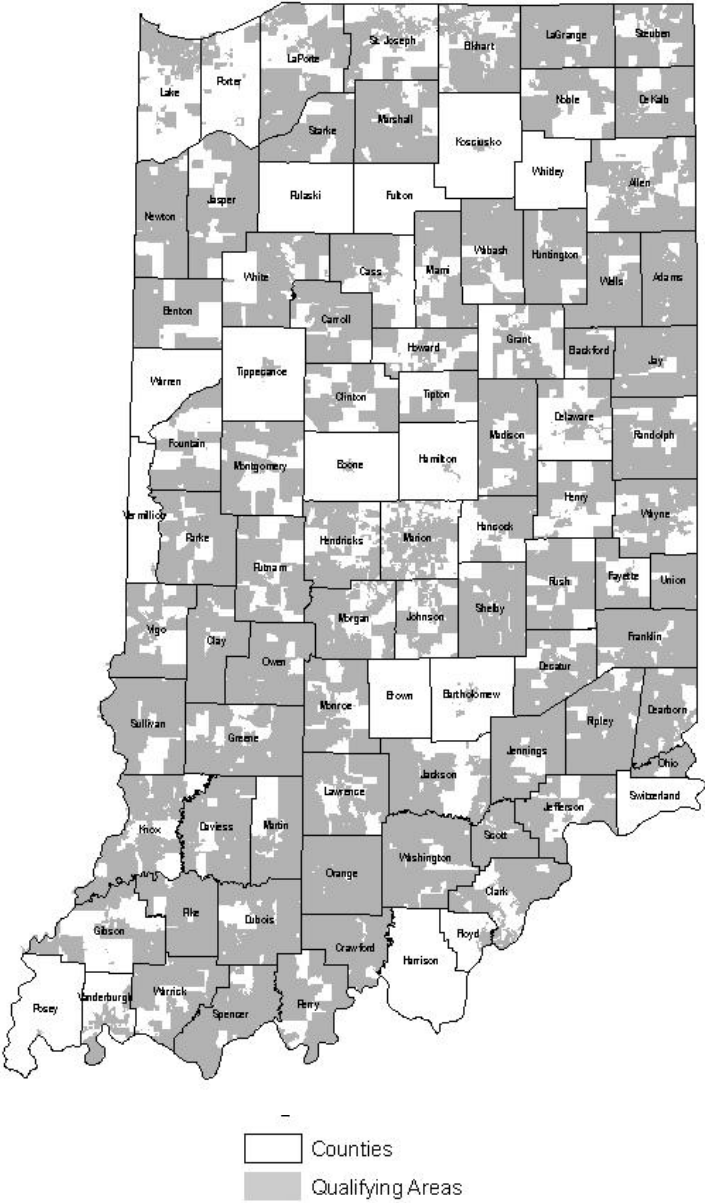
equal to 120 percent of Area Median Income in 2000. Concentration of need was teased out of the qualifying areas of benefit by identifying census block groups in the top 50 percent of need, as determined by the six aforementioned measures.

Calculating the six measures:

- ❖ Areas with an estimated foreclosure risk score (computed by HUD) greater than six (out of ten) were determined as being in need;
- ❖ Areas with an 18-month underlying problem foreclosure rate (predicted by HUD) were determined as being in need;
- ❖ Areas with a high rate of high cost loans as a percentage of all loans made between 2004 and 2006 were determined as being in need, as determined from the Home Mortgage Disclosure Act reports;
- ❖ Areas with the highest concentration of residential addresses identified as being vacant for 90 days or longer by the United States Postal Service were determined as being in need;
- ❖ Areas with the highest rates of foreclosure, as reported by foreclosure.com , were determined as being in need. These data were collected at the zip code level and the weighted average of the rates were assigned to census block groups;
- ❖ Areas with the highest concentration of Fannie Mae and Freddie Mac pre-foreclosures, foreclosures, and bankruptcies were determined as being in need. These data were collected at the zip code level and the weighted average of the rates were assigned to census block groups.

Places within block groups that scored in the top 50 percent for at least four of the six measures analyzed were selected as areas of greatest need. These areas of the State found to be of greatest need are displayed in the following map. The map and an accompanying table outlining all eligible jurisdictions may be found at <http://www.in.gov/ihcda/3118.htm>.

Indiana NSP Areas of Greatest Need



## NSP Qualified Areas of Greatest Need

### **Adams County**

Berne  
Decatur  
Other\*

### **Allen County**

Fort Wayne  
Monroeville  
New Haven  
Other\*

### **Bartholomew County**

Columbus  
Boswell  
Fowler  
Other\*

### **Blackford County**

Dunkirk  
Hartford City  
Montpelier  
Other\*

### **Boone County**

Lebanon

### **Carroll County**

Delphi  
Flora  
Other\*

### **Cass County**

Logansport  
Walton  
Other\*

### **Clark County**

Charlestown  
Clarksville  
Jeffersonville  
Other\*

### **Clay County**

Brazil  
Clay City  
Harmony  
Knightsville  
Other\*

### **Clinton County**

Frankfort  
Kirklin  
Other\*

### **Crawford**

English  
Marengo  
Milltown  
Other\*

### **Daviess County**

Elnora  
Washington  
Other\*

### **Dearborn County**

Aurora  
Greendale  
Lawrenceburg  
Other\*

### **Decatur County**

Greensburg  
Other\*

### **DeKalb County**

Altona  
Ashley  
Auburn  
Butler  
Corunna  
Garrett  
Hamilton  
Waterloo  
Other\*

### **Delaware County**

Albany  
Chesterfield  
Daleville  
Eaton  
Muncie  
Yorktown  
Other\*

### **Dubois County**

Huntingburg  
Other\*

### **Elkhart County**

Elkhart  
Goshen  
Nappanee

### **Fayette County**

Connersville  
Other\*

### **Floyd County**

New Albany

### **Fountain County**

Attica  
Hillsboro  
Mellott  
Newtown  
Veedersburg  
Other\*

### **Fulton County**

English  
Marengo  
Milltown  
Other\*

### **Franklin County**

Laurel  
Other\*

\* Other eligible unincorporated areas

## NSP Qualified Areas of Greatest Need

### **Gibson County**

Princeton  
Other\*

### **Grant County**

Fairmount  
Fowlerton  
Gas City  
Jonesboro  
Marion  
Other\*

### **Greene County**

Bloomfield  
Jasonville  
Linton  
Worthington  
Other\*

### **Hamilton County**

Noblesville

### **Hancock County**

Fortville  
Greenfield  
Other\*

### **Hendricks County**

Brownsburg  
Plainfield  
Other\*

### **Henry County**

Cadiz  
Greensboro  
Kennard  
Knights town  
Middletown  
Mooreland  
New Castle  
Shirley  
Straughn  
Other\*

### **Howard County**

Kokomo  
Other\*

### **Huntington County**

Andrews  
Huntington  
Mount Etna  
Other\*

### **Jackson County**

Crothersville  
Seymour  
Other\*

### **Jasper County**

Wheatfield  
Other\*

### **Jay County**

Dunkirk  
Portland  
Other\*

### **Jefferson County**

Other\*

### **Jennings County**

North Vernon  
Other\*

### **Johnson County**

Edinburgh  
Franklin  
Greenwood  
New Whiteland  
Whiteland  
Other\*

### **Knox County**

Bicknell  
Vincennes  
Other\*

### **Kosciusko County**

Warsaw

### **LaGrange County**

Other\*

### **Lake County**

Crown Point  
East Chicago  
Gary  
Griffith  
Hammond  
Highland  
Hobart  
Lake Station  
Merrillville  
New Chicago  
Whiting  
Other\*

### **LaPorte County**

La Porte  
Michigan City  
Trail Creek  
Other\*

### **Lawrence County**

Bedford  
Mitchell  
Other\*

### **Madison County**

Alexandria  
Anderson  
Chesterfield  
Edgewood  
Elwood  
Ingalls  
Markleville  
Orestes  
Other\*

\* Other eligible unincorporated areas

## NSP Qualified Areas of Greatest Need

### **Marion County**

Beech Grove  
Clermont  
Cumberland  
Indianapolis  
Lawrence  
Southport  
Speedway  
Warren Park

### **Marshall County**

Bourbon  
Plymouth  
Other\*

### **Martin County**

Loogootee  
Other\*

### **Miami County**

Peru  
Other\*

### **Monroe County**

Bloomington  
Ellettsville  
Other\*

### **Montgomery County**

Crawfordsville  
Other\*

### **Morgan County**

Martinsville  
Mooresville  
Other\*

### **Newton County**

Goodland  
Kentland  
Other\*

### **Noble County**

Albion  
Cromwell  
Kendallville  
Ligonier  
Rome City  
Wolcottville  
Other\*

### **Ohio County**

Rising Sun  
Other\*

### **Orange County**

French Lick  
Orleans  
Paoli  
West Baden Springs  
Other\*

### **Owen County**

Gosport  
Spencer  
Other\*

### **Parke County**

Mecca  
Rockville  
Other\*

### **Perry County**

Cannelton  
Tell City  
Troy  
Other\*

### **Pike County**

Petersburg  
Spurgeon  
Other\*

### **Porter County**

Portage  
Other\*

### **Posey County**

Mt. Vernon

### **Putnam County**

Greencastle  
Other\*

### **Randolph County**

Albany  
Farmland  
Parker City  
Ridgeville  
Union City  
Winchester  
Other\*

### **Ripley County**

Holton  
Napoleon  
Osgood  
Other\*

### **Rush County**

Rushville  
Other\*

### **Saint Joseph County**

Mishawaka  
Roseland  
South Bend  
Other\*

### **Scott County**

Austin  
Scottsburg  
Other\*

### **Shelby County**

Shelbyville  
Other\*

\* Other eligible unincorporated areas

## NSP Qualified Areas of Greatest Need

### **Spencer County**

Chrisney  
Gentryville  
Rockport Other

### **Starke County**

Knox  
North Judson  
Other\*

### **Steuben County**

Angola  
Ashley  
Clear Lake  
Fremont  
Hamilton  
Hudson  
Other\*

### **Sullivan County**

Farmersburg  
Hymera  
Shelburn  
Sullivan  
Other\*

### **Tippecanoe County**

Lafayette

### **Tipton County**

Kempton  
Tipton  
Windfall City  
Other\*

### **Union County**

Liberty  
Other\*

### **Vanderburgh County**

Evansville  
Other\*

### **Vermillion County**

Clinton

### **Vigo County**

Terre Haute  
West Terre Haute  
Other\*

### **Wabash County**

North Manchester  
Wabash  
Other\*

### **Warrick County**

Boonville  
Chandler  
Other\*

### **Washington County**

Hardinsburg  
Livonia  
Salem  
Saltillo  
Other\*

### **Wayne County**

Cambridge City  
Centerville  
Dublin  
East Germantown  
Economy  
Hagerstown  
Milton  
Mount Auburn  
Richmond  
Other\*

### **Wells County**

Bluffton  
Other\*

### **White County**

Burnettsville  
Monticello  
Other\*

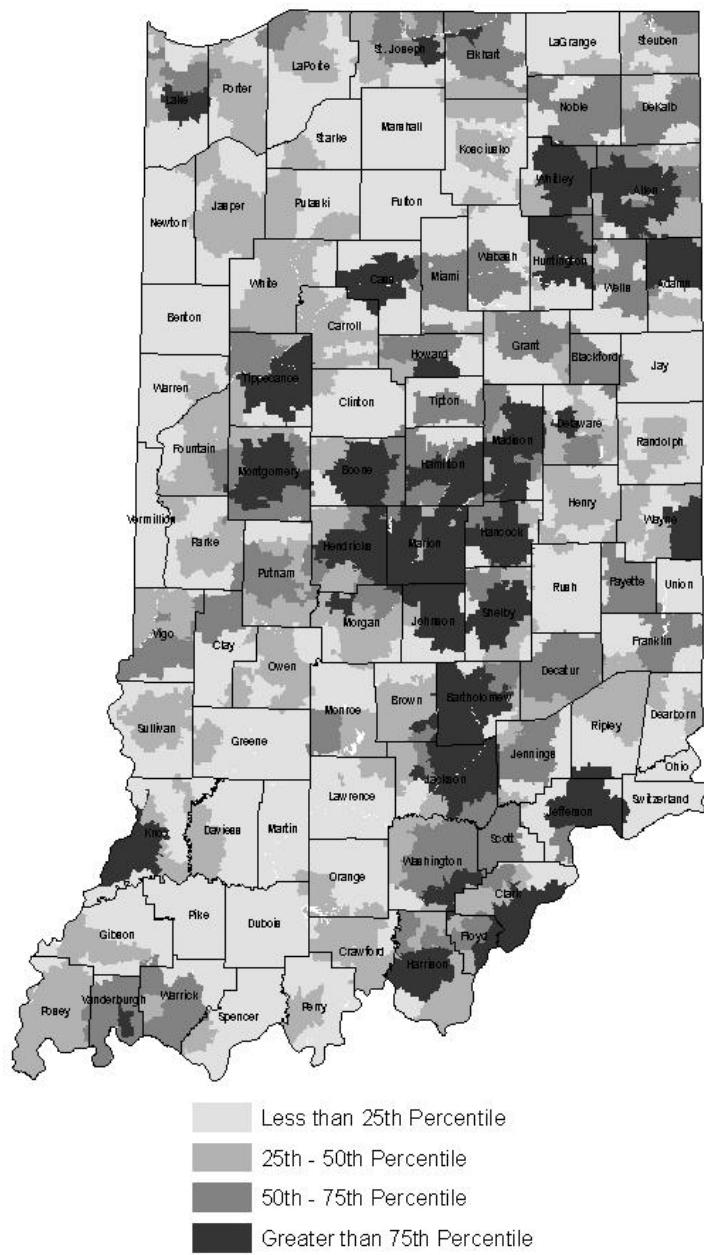
\* Other eligible unincorporated areas

Stabilization Markets are mostly found in the suburbs and exurbs of metropolitan regions as well as economic centers of rural communities. These markets have high homeownership rates, moderate home values, and relatively low vacancy rates. In many cases, the real estate market is not quite strong enough to respond to scattered but conspicuous problems and the images of the neighborhoods suffer accordingly, exaggerating the initial problem. With market-driven incentives, these neighborhoods can build off their strengths to become stable. Without intervention in the real estate market in these communities, the ripple effect of seemingly isolated foreclosures will quickly result in widespread disinvestment.

This consumer approach allows households to live in a community of their choice, close to work, school, or other opportunities. To project the distribution, IHCDCA analyzed the proportion of its single-family loan originations by zip code (see map below). This map correlates with other zip-code level data (foreclosure.com and GSA portfolios) that IHCDCA analyzed for targeting areas of greatest need. The map also shows that a significant portion of these funds will be expended in entitlement communities that received a direct NSP award from HUD. As the direct administrator of this activity, IHCDCA will ensure that these funds will be committed within the 18 month period required.



### Proportion of IHCD Single-family Loan Originations by Zip Code



## ***B. DISTRIBUTION AND USES OF FUNDS***

IHCDA proposes distributing the NSP funds through two primary funding strategies, both of which make use of existing funding mechanisms used by IHCDA. They are outlined in greater detail below.

### Comprehensive Neighborhood Revitalization Fund

IHCDA is committed to bringing to bear all the resources needed to further the comprehensive community development goals of eligible applicant organizations. Accordingly, we will work to leverage NSP funds with any and all resources controlled by IHCDA which are also critical to a project's success, including but not limited to: The Indiana Affordable Housing and Community Development Fund; federal CDBG and HOME funds; and Rental Housing Tax Credits. IHCDA reserves the right to adjust the amounts and sources of any final award to meet IHCDA priorities and NSP program requirements.

#### *Distribution Process*

IHCDA will competitively award \$50 million of the NSP funds to local units of government for comprehensive community revitalization and neighborhood redevelopment in areas of greatest need.

An "Intent to Apply" letter to IHCDA from interested applicants must be postmarked by January 10, 2009 and applications must be postmarked by March 15, 2009. All application materials must be submitted according to IHCDA standards, as further outlined in the IHCDA Neighborhood Stabilization Program Guidelines and Application Kit, found at <http://www.in.gov/ihcda/3118.htm>.

The applications will be reviewed by IHCDA staff, the IHCDA Board of Directors and a panel of outside industry professionals. IHCDA anticipates making award decisions by May 2009.

#### *Selection Criteria*

A competitive process will be used for allocating these resources, which will take into account the following:

- ❖ Neighborhood Revitalization Plan: IHCDA will give priority to localities that identify a targeted revitalization area that clearly deploys comprehensive development strategies designed to address its unique challenges. Localities should articulate how intellectual, social, and financial capital will be leveraged across all sectors. The long-term physical and financial viability of the proposed redevelopment project is essential. Plans that demonstrate extraordinary innovation in housing and community economic development practices will be given priority.

- ❖ Areas of Greatest Need: (*i.e.* foreclosure concentration in and abandonment risk of the community). IHCD A has used data sources that are uniform and available across the state. Localities should provide data and documentation as to how the target neighborhood was selected as the area of greatest need and how its proposed activities best address that need.
- ❖ Development Team Capacity: IHCD A will assess applications based on expertise of the local development team. Key factors will include grant administration, readiness to proceed, project completion, and track record on previous state-awarded projects.
- ❖ Housing Opportunity: Given the federal mandate to serve households below 50% AMI, localities will be expected to identify affordable housing solutions that best serve this population (see Section D for more details).

IHCD A anticipates that the amount of funds that may be applied for and may be approved will vary by population and need of area. As guidance for potential applicants, IHCD A recommends that applicants apply for funding amounts commensurate with:

- ❖ Cost of the project
- ❖ Need of the jurisdiction
- ❖ Capacity to carry out the proposed activities in a timely manner

IHCD A reserves the right to reallocate NSP funds in order to award additional funding to high performing grantees or for projects of unforeseen urgent need. It is expected that the reallocation of these resources will be made after NSP funds have been fully committed.

#### *Eligible Activities*

The community comprehensive plans may utilize the NSP funds in any of the following ways:

- ❖ Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves and shared-equity loans for low-and moderate-income homebuyers
- ❖ Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.
- ❖ Establish land banks for homes that have been foreclosed upon.
- ❖ Demolish blighted structures
- ❖ Redevelop demolished or vacant properties

#### *Eligible Applicants*

Local units of government may apply for funds for areas (block groups) within their jurisdiction that are identified as being of greatest need. While a city, town or county government may all apply to IHCD A for these funds, no two applicants may apply for the same geographic area of need. Therefore, IHCD A encourages local governments to coordinate their activities in order to eliminate redundancies in their applications.

### Market Stabilization Fund

The State will use approximately \$33.7 million of the available funding as a revolving loan fund that will be made available to income-qualified individuals and families who choose to purchase abandoned and foreclosed homes. IHCD will make this funding source available to home buyers who purchase foreclosed and abandoned properties and who intend to occupy the home themselves. IHCD will utilize our single-family participating lenders, the Indiana Association of REALTORS, HomeEC certified housing counseling agencies and other partners to provide marketing and outreach to potential eligible homebuyers for this funding.

#### *Eligible Activities*

IHCD will offer up to \$15,000 (not to exceed 20% of purchase price) to assist homebuyers with the acquisition and/or rehabilitation of an abandoned or foreclosed residential property. These funds may be used in conjunction with the IHCD First Home product, FHA, VA, USDA, or prime fixed rate product. No adjustable rate or subprime mortgage products will be allowed for the purchase of these homes.

Home buyers may use these funds for closing costs and down payment assistance related to the purchase of an abandoned or foreclosed residential property. To be eligible for rehab funds a residential structure must not meet local building code and therefore is unable to be purchased in its present condition. Home buyers may use both acquisition and rehabilitation assistance in the purchase of a home, but the combined assistance may not exceed \$15,000. These funds will be in the form of a zero-interest, non-amortizing, second mortgage loan.

#### *Eligible Applicants*

Home buyers must be at or below 120% of area median income to qualify for this assistance.

#### *Discount Rate*

IHCD will coordinate with lenders/servicers, Fannie Mae, Freddie Mac and HUD to list foreclosed properties on a centralized website, [www.indianahousingnow.org](http://www.indianahousingnow.org). Lenders will be required to sell the properties listed on the site at a discount that meets or exceeds NSP guidelines. Current negotiations with several lenders indicate that a 15% discount is a reasonable calculation.

HUD, however, has indicated that offering a discount directly to a homebuyer for one of its REO properties outside of FHA's Good Neighbor program may be problematic. If HUD is unable to comply with the NSP discount requirements it has imposed on private lenders, the disposition of a majority of HUD homes in Indiana will be by local units of government and qualified nonprofits as part of a comprehensive neighborhood revitalization plan.

#### *Homeownership Education and Counseling*

In 2005, IHCD instituted a comprehensive certification process for homeownership education and counseling programs across the state. The certification includes standards

for organizations, counselors, and curricula. HUD approved counseling agencies are recognized as HomEC certified agencies. However, not all HomEC agencies and counselors are HUD approved because they do not compete or necessarily receive HUD funding. IHCDAs expect that the 8 hours of pre-purchase homeownership counseling mandated by the NSP guidelines will be conducted by a HomEC or HUD approved counselor and in accordance with HomEC certified standards.

IHCDA anticipates this part of the NSP proposal will assist qualified homebuyers in purchasing more than 2,000 previously foreclosed/abandoned homes throughout Indiana.

#### Administrative Funds

The State will share the 10 percent of the NSP funds available for administrative uses as follows: 2 percent shall be retained by IHCDAs for administrative and monitoring requirements of the two programs and 8 percent shall be available to grantees of the Comprehensive Neighborhood Revitalization Fund. With the CNRF, it will be possible for project sponsors to receive a reasonable developer fee.

### ***C. DEFINITIONS AND DESCRIPTIONS***

The following section describes the State's definitions of significant terms and program requirements for which HUD is mandating a response. NOTE: The first four definitions are HUD-required and the remaining ones are listed alphabetically.

#### 1. Blighted Structure

Indiana Code does not define "blight" or "blighted structure" per se but properties or structures that would, for the purposes of NSP, fit this definition would be included in IC 36-7-9, which constitutes Indiana's Unsafe Building Law.

The Unsafe Building Law broadly defines the buildings or structures as unsafe or contributing to blight as those that are:

- ❖ In impaired structural condition that makes them unsafe to a person or property;
- ❖ A fire hazard;
- ❖ A hazard to public health;
- ❖ A public nuisance;
- ❖ Dangerous to a person or property because of a violation of a statute or ordinance concerning building condition or maintenance;
- ❖ Vacant and not maintained in a manner that would allow human habitation, occupancy, or use under the requirement of a statute or an ordinance.

#### 2. Definition of Affordable Rents

IHCDA defines "affordable rents" as those county rent limits released by HUD for the HOME program.

### 3. Continued Affordability

IHCDA intends to utilize the HOME affordability period for all projects associated with the Comprehensive Neighborhood Revitalization Fund.

For single-family home acquired with NSP funds administered by IHCDA. If the homebuyer sells or refinances the home within the first five years, the entire acquisition subsidy is repayable to IHCDA. After year 5, the homebuyer will be able to retain 10% in equity of the award amount per year for the next 10 years. After year 15, the home buyer will not be expected to repay any of the award amount at the time of sale or refinance. IHCDA intends to use the same affordability period for all homebuyers, regardless of subsidy amount. There will be no repayment schedule for any awarded rehabilitation funds.

Regardless of activity, if the property has been previously assisted with IHCDA resources, including HOME or CDBG funds, the affordability period shall be the longer of the period warranted by the NSP affordability requirements or the remaining term of the prior affordability period. Proceeds will then be recycled and made available to additional income eligible homebuyers.

### 4. Housing Rehabilitation Standards

All housing activities using NSP funds that involve the construction or rehabilitation of multi-family and single-family dwellings must meet all building codes and standards adopted and enforced by the State of Indiana as well as any local ordinances that exceed State codes and standards.

#### *Energy Efficiency Standards*

All NSP funded housing activities shall be designed to achieve maximum energy efficiency to the extent that this can be accomplished on a cost-effective basis, considering construction and operating costs over the life cycle of the structure. Efficiency may be demonstrated through design based on LEED, Green Globes, Energy Star, and/or other comparable guidelines and rating systems. Historic aesthetic and local sourced materials shall be afforded value in this analysis.

#### *Physical Inspections*

For NSP single-family units financed through the Market Stabilization Fund, inspection will occur prior to rehabilitation (if any) and then immediately following completion of the rehabilitation, prior to closing. All NSP properties funded through the Community Revitalization Fund will be inspected twice during the award period. The first inspection will be at either 50% of funds drawn or half way through the award time frame; whichever occurs first. The second inspection will be conducted upon completion of the construction for the award.

### 5. Abandoned Property

A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

#### 6. Foreclosed Property

A property has been foreclosed upon at the point that the judicial mortgage foreclosure or tax foreclosure is complete and title for the property has been transferred, either by the foreclosure proceeding or by deed in lieu of foreclosure, from the former homeowner.

#### 7. Vacant Property

Any property that has been vacant for a period of 90 days and is not maintained in a manner that allows human habitation, occupancy, or use under the requirements of a statute or ordinance.

### ***D. LOW INCOME TARGETING***

IHCDA intends to invest \$20.9 million of NSP funds available through the Comprehensive Neighborhood Revitalization Fund in the creation of housing opportunities for households whose incomes do not exceed 50 percent of area median income.

One of IHCDA's strategic objectives is to create 500 new permanent supportive housing units over the next 3 years through the Indiana Permanent Supportive Housing Initiative (IPSHI). The provision of mental health, substance abuse, and employment training services are inextricably linked to the provision of permanent supportive housing. NSP funds provide a unique opportunity to link these services with housing. Unlike other unallowable costs (e.g., maintenance, tenant subsidy, contingency reserves, and deficits), CDBG has a precedent for funding these eligible activities as public services. Since cashflow from rental projects must be captured as program income, IHCDA proposes that these services should be incorporated into the project pro-forma to reflect the true cost of providing housing to this special needs population.

IHCDA estimates that if eligible communities take advantage of these opportunities, nearly \$10 million in NSP funds will be obligated for approximately 250 permanent supportive housing units brought online.

IHCDA also encourages eligible applicants to partner with their local Public Housing Authorities to provide additional rental opportunities for low-income individuals with NSP funds.

In total, IHCDA estimates that this \$20.9 million of funding will result in over 400 rental housing units for low-income individuals and families.

### ***E. ACQUISITIONS & RELOCATION***

IHCDA is unable to determine with any certainty at this time how many housing units will be demolished/converted or made available to individuals or families from the \$50 million Comprehensive Neighborhood Revitalization Fund available to communities, as this will depend on the areas and activities throughout the state in which NSP funds will be targeted. However, as stated previously in Section D, through low income targeting,

we anticipate in excess of 400 rental housing units being brought online through NSP activities.

IHCDA estimates that, through the \$33.7 million Market Stabilization Fund, in excess of 2,000 homeownership opportunities will be made available to low-, moderate-, and middle-income households.

***F. PUBLIC COMMENT***

This section will provide a summary of public comments received regarding the proposed NSP Substantial Amendment. This section will be added once the document is submitted to HUD.

Persons who would like to comment on this amendment may send those comments to Neighborhood Stabilization Program, Indiana Housing and Community Development Authority, 30 South Meridian Street, Suite 1000, Indianapolis, IN 46204 or [nsp@ihcda.in.gov](mailto:nsp@ihcda.in.gov). Comments must be received by 5:00 p.m. on November 26, 2008.



## ***G. NSP INFORMATION BY ACTIVITY***

This section contains the State's summary of each activity anticipated for NSP funds. There is a separate page for each activity. The State intends to provide additional details on these activities once local applications are received and approved.

(1) Activity Name: **Financing Mechanisms**

(2) Activity Type: NSP Activity (A): Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties. CDBG Eligible Activities 24 CFR 570.206 Delivery Costs, 24 CFR 507.2012 (n) Direct homeownership assistance.

(3) National Objective: Meets national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice ( $\leq 120$  percent of area median income).

(4) Projected Start Date: February 13, 2009

(5) Projected End Date: February 13, 2013

(6) Responsible Organization: Indiana Housing and Community Development Authority, 30 S. Meridian, Suite 1000, Indianapolis, IN 46204. Contact: Kim Harris. Phone: 317-232-7777. Fax: 317-232-7778

(7) Location Description: Statewide

(8) Activity Description:

The State anticipates a substantial share of funds to be directed into this activity, specifically for homeownership. The properties financed will be made available to income-eligible buyers. These properties will be made available at a discount that meets or exceeds NSP guidelines.

- (1) Activity Name: **Acquisition and Rehabilitation**
- (2) Activity Type: NSP Activity (B); CDBG Eligible Activity 24 CFR 507.201 (a) Acquisition, and (b) Disposition
- (3) National Objective: Meets national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice ( $\leq 120$  percent of area median income).
- (4) Projected Start Date: February 13, 2009
- (5) Projected End Date: February 13, 2013
- (6) Responsible Organization: Indiana Housing and Community Development Authority, 30 S. Meridian, Suite 1000, Indianapolis, IN 46204. Contact: Cecelia Johnson-Powell. Phone: 317-232-7777. Fax: 317-232-7778
- (7) Location Description: To be determined once local applications are approved
- (8) Activity Description: The State anticipates a substantial share of funds to be directed into this activity, primarily for homeownership. The properties acquired will ultimately be made available to income-eligible buyers. IHDA currently has significant resources available to homeowners, including the NSP Market Stabilization Fund.

All housing activities will be subject to the definitions of affordability outlined in this amendment.

The amount of purchase discount is anticipated to be at or above the five percent rate but more exact discount rates will be determined once local applications are approved.

(1) Activity Name: **Land Banks**

(2) Activity Type: NSP Activity (C); CDBG Eligible Activity 24 CFR 507.201 (a) Acquisition and (b) Disposition

(3) National Objective: Meets national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice ( $\leq 120$  percent of area median income).

(4) Projected Start Date: February 13, 2009

(5) Projected End Date: February 13, 2013

(6) Responsible Organization: Indiana Housing and Community Development Authority, 30 S. Meridian, Suite 1000, Indianapolis, IN 46204. Contact: Cecelia Johnson-Powell. Phone: 317-232-7777. Fax: 317-232-7778

(7) Location Description: To be determined once local applications are approved

(8) Activity Description: The State anticipates a very small share of funds to be directed into this activity, primarily for homeownership. The properties acquired will be held until local markets and/or projects are ready to make use of these properties. The properties acquired with these funds will be previously foreclosed upon properties.

All housing activities will be subject to the definitions of affordability outlined in this amendment.

The amount of purchase discount is anticipated to be at or above the five percent rate but more exact discount rates will be determined once local applications are approved.

- (1) Activity Name: **Demolition**
- (2) Activity Type: NSP Activity (D); CDBG Eligible Activity 24 CFR 507.201 (d) Clearance for blighted structures only.
- (3) National Objective: Meets national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice ( $\leq 120$  percent of area median income).
- (4) Projected Start Date: February 13, 2009
- (5) Projected End Date: February 13, 2013
- (6) Responsible Organization: Indiana Housing and Community Development Authority, 30 S. Meridian, Suite 1000, Indianapolis, IN 46204. Contact: Cecelia Johnson-Powell. Phone: 317-232-7777. Fax: 317-232-7778
- (7) Location Description: To be determined once local applications are approved
- (8) Activity Description: The State anticipates a share of funds to be directed into this activity. The properties demolished with these funds will be blighted structures, some of which will be previously foreclosed upon homes.

While not subject to the requirement of one-for-one replacement, the State anticipates a large number (more than several hundred) of housing units may be demolished.

- (1) Activity Name: **New Construction**
- (2) Activity Type: NSP Activity (E); CDBG Eligible Activity Waiver per HUD Notice for NSP
- (3) National Objective: Meets national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice ( $\leq 120$  percent of area median income).
- (4) Projected Start Date: February 13, 2009
- (5) Projected End Date: February 13, 2013
- (6) Responsible Organization: Indiana Housing and Community Development Authority, 30 S. Meridian, Suite 1000, Indianapolis, IN 46204. Contact: Cecelia Johnson-Powell. Phone: 317-232-7777. Fax: 317-232-7778
- (7) Location Description: To be determined once local applications are approved
- (8) Activity Description: The State anticipates a significant portion of funds to be directed into this activity, primarily for rental properties affordable to households at or below 50 percent area median income. The properties that will be used for new construction activities will be sites on which demolition occurred or vacant properties.

It is anticipated that virtually all of the funds in this activity will be made available to households at or below 50 percent area median income. This activity is anticipated to ensure that the State meets the requirement that at least 25 percent of the NSP funds will be used for the direct benefit of low-income households.

All housing activities will be subject to the definitions of affordability outlined in this amendment.

IHCDA anticipates making other current resources (Rental Housing Tax Credits, Indiana Affordable Housing and Community Development Fund) available for this activity as well.

## ***H. TOTAL BUDGET***

Below is a summary of the State's expected budget for the use of NSP funds. These numbers are subject to change once local applications are approved by IHCDA.

<b><u>Activity</u></b>	<b><u>Amounts</u></b>	<b><u>Percent of Total</u></b>
Financing Mechanisms	\$33,505,779	40.00%
Acquisition/Rehab	\$10,047,888	12.00%
Land Banks	\$2,512,711	3.00%
Demolition	\$8,375,704	10.00%
Redevelop/New Construction	\$20,939,262	25.00%
Admin Activities	\$8,375,704	10.00%
<b>TOTAL</b>	<b>\$83,757,048</b>	<b>100.00%</b>

## ***I. PERFORMANCE MEASURES***

Below is a summary of the State's expected performance measures by activity for NSP funds. These numbers are subject to change once local applications are approved by IHCDA. IHCDA will provide more information on fulfilling these measures as required by the reporting procedures outlined in the HUD Notice.

<b><u>Activity</u></b>	<b><u>Housing Units</u></b>
Financing Mechanisms	2,000
Acquisition/Rehab	280
Land Banks	40
Demolition	825
Redevelop/New Construction	400
<b>TOTAL</b>	<b>3,545</b>

## **CERTIFICATIONS**

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds  $\leq$  120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.
- (11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by

assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

---

Signature/Authorized Official

---

Date

---

Title